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reverse side)

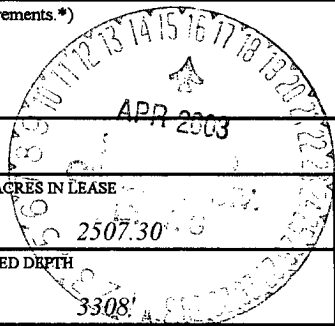
Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2003 JAN -9 AM 9:43

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK NM

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME <i>Rosa Unit</i>	
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> ZONE <input type="checkbox"/> MULTIPLE <input type="checkbox"/> ZONE <input type="checkbox"/>		8. FARM OR LEASE NAME, WELL NO. <i>231A</i>	
2. NAME OF OPERATOR <i>Williams Production Company, LLC</i>		9. API WELL NO. <i>3003927287</i>	
3. ADDRESS OF OPERATOR <i>c/o Walsh Engineering 7415 E. Main St., Farmington, NM 87402 (505) 327-4892</i>		10. FIELD AND POOL OR WILDCAT <i>Basin Fruitland Coal</i>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) <i>At Surface 1765' FSL and 1020' FEL</i> <i>At proposed Prod. Zone</i>		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <i>I Sec. 31, T31N, R5W</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <i>25 miles NE of Blanco, NM</i>		12. COUNTY OR PARISH <i>Rio Arriba</i>	13. STATE <i>NM</i>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) <i>1020'</i>	16. NO. OF ACRES IN LEASE <i>2507.30</i>	17. NO. OF ACRES ASSIGNED TO THIS WELL <i>232.99 S/L</i>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. <i>75'</i>	19. PROPOSED DEPTH <i>3308'</i>	20. ROTARY OR CABLE TOOLS <i>Rotary</i>	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <i>6508' GR</i>		22. APPROX. DATE WORK WILL START* <i>April 15, 2003</i>	



23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8"	36.0#	+/- 300'	~211 cu.ft. Type III with 2% CaCl ₂
8-3/4"	7"	20.0#	+/- 3163'	~740 cu.ft. 65/35 poz & ~209 cu.ft. Type I
6-1/4"	5-1/2"	15.5#	+/- 3063' - 3308'	Open hole completion - no cement

Williams Production Company proposes to drill a vertical well to develop the Fruitland Coal formation at the above described location in accordance with the attached drilling and surface use plans.

This location has been archaeologically surveyed by Independent Contract Archaeology. Copies of their report have been submitted directly to your office.

This APD also is serving as an application to obtain BLM road and pipeline right-of-ways. This well will not require any new access road (see Pipeline & Well Plats #3 & #4). The well will be accessed by an existing road that crosses the NW/SE, NE/SW, NW/SW of section 31, 31N, R5W and NE/SE of section 36, 31N 6W, where it joins the main "Rosa Road". Note: This well will be drilled on the same pad as the existing Rosa Unit #137A..

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE John C. Thompson, Agent DATE 1/8/2003

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL

APPROVED BY

David J. Mankiewicz

TITLE

DATE

APR 14 2003

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOCDD

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-27287		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 17033	⁵ Property Name ROSA UNIT		⁶ Well Number 231A
⁷ GRID No. 120782	⁸ Operator Name WILLIAMS PRODUCTION COMPANY		⁹ Elevation 6508'

¹⁰ Surface Location

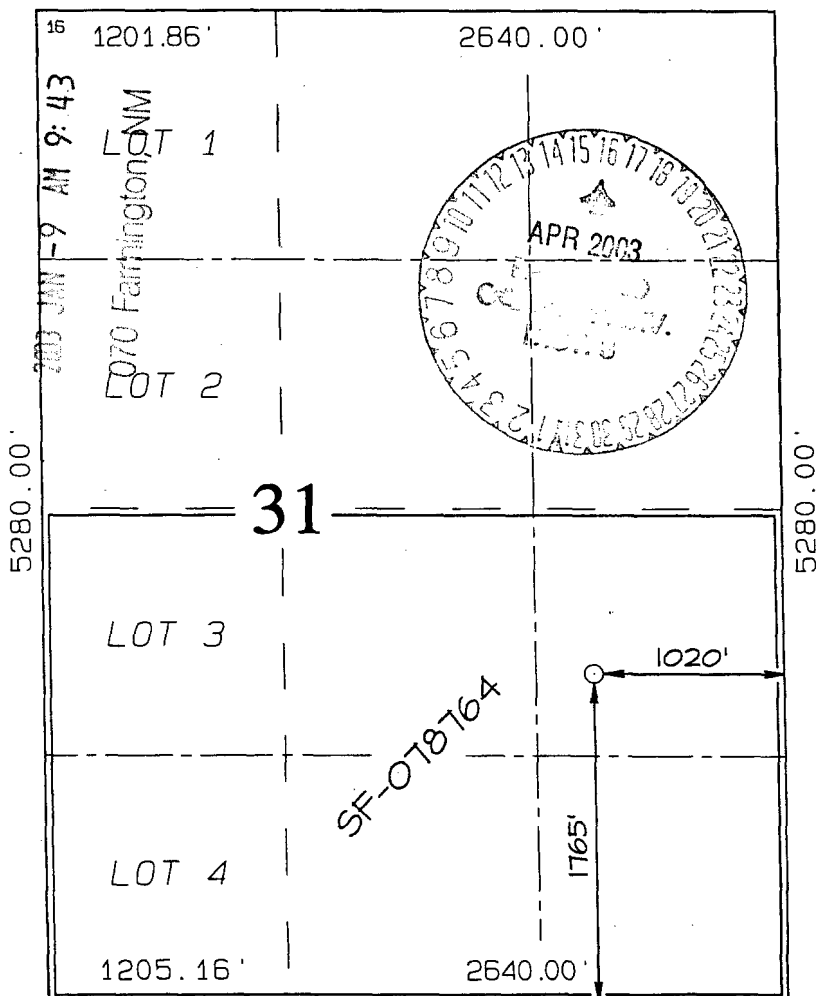
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	31	31N	5W		1765	SOUTH	1020	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 232.99 Acres - (S/2)	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

John C. Thompson

Printed Name

Agent

Title

11/18/02

Date

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Survey Date: OCTOBER 23, 2002

Signature and Seal of Professional Surveyor



JASON C. EDWARDS
Certificate Number 15269

C. BOP TESTING: While drill pipe is in use, the pipe rams and the blind rams will be function tested once each trip. The anticipated reservoir is expected to be less than 1300 psi, so the rams will be tested to 1500 psi. The surface and intermediate casing strings will be pressure tested to 1500 psi in conjunction with the BOP test before drilling out cement. The drum brakes will be inspected and tested each tour. All tests, inspections and SPR's will be recorded in the tour book as to time and results.

III. MATERIALS

A. CASING PROGRAM:

<u>CASING TYPE</u>	<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CASING SIZE</u>	<u>WT. & GRADE</u>
Surface	12-1/4"	+/- 300'	9-5/8"	36# K-55
Intermediate	8-3/4"	+/- 3163'	7"	20# K-55
Prod. Liner	6-1/4"	+/- 3063-3308'	5-1/2"	15.5# K-55

B. FLOAT EQUIPMENT:

1. SURFACE CASING: 9-5/8" notched regular pattern guide shoe.
2. INTERMEDIATE CASING: 7" cement nose guide shoe with a self- fill insert float. Place float one(1) joint above the shoe and five(5) centralizers, spaced every other joint, starting with the float collar. Place turbulent centralizers, at 120' intervals, starting at 1585' to the surface. Total centralizers = 5 regular and 14 turbulent.
3. PRODUCTION LINER: 5-1/2"liner with notched collar on bottom.

C. CEMENTING:

(Note: Volumes may be adjusted onsite due to actual conditions)

1. SURFACE: Use 160 sx (211 cu.ft.) of "Type III" with 2% CaCl₂ and 1/4# of cello-flake/sk (Yield = 1.41 cu.ft./sk, Weight = 14.5 #/gal.). Use 125% excess to circulate the surface. WOC 12 hours. Test to 1500#.
2. INTERMEDIATE: Lead - 355 sx (740 cu.ft.) of "Type III" 65/35 poz with 8% gel, 1% CaCl₂ and 1/4# cello-flake/sk (Yield = 2.09 cu.ft./sk, Weight = 12.1 #/gal.). Tail - 150 sx (209cu.ft.) of "Type III" with 1/4# cello-flake/sk, and 1% CaCl₂ (Yield = 1.4 cu.ft./sk, Weight = 14.5#/gal.). Use 100% excess in lead and tail to circulate to surface. Total volume = 950 cu.ft. WOC 12 hours. Run a temperature survey after 8 hours if cement is not circulated. Test to 1500#..
3. PRODUCTION LINER: Open hole completion. No cement.

IV COMPLETION

A. PRESSURE TEST

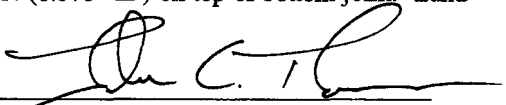
Pressure test 7" casing to 3300# for 15 minutes.

B. STIMULATION

Cavitate Well with reciprocation and rotation. Surge wells with water and air and then flow back to pit.
Cavitate for 2 to 3 weeks. Maximum pressure not expected to exceed 2,000 psi.

C. RUNNING TUBING

1. Fruitland Coal: Run 2-3/8", 4.7#, J-55, EUE tubing with a SN (1.375" ID) on top of bottom joint. Land tubing approximately 50' above TD.



John C. Thompson
Engineer

Williams Production Company, LLC

Well Control Equipment Schematic for 2M Service

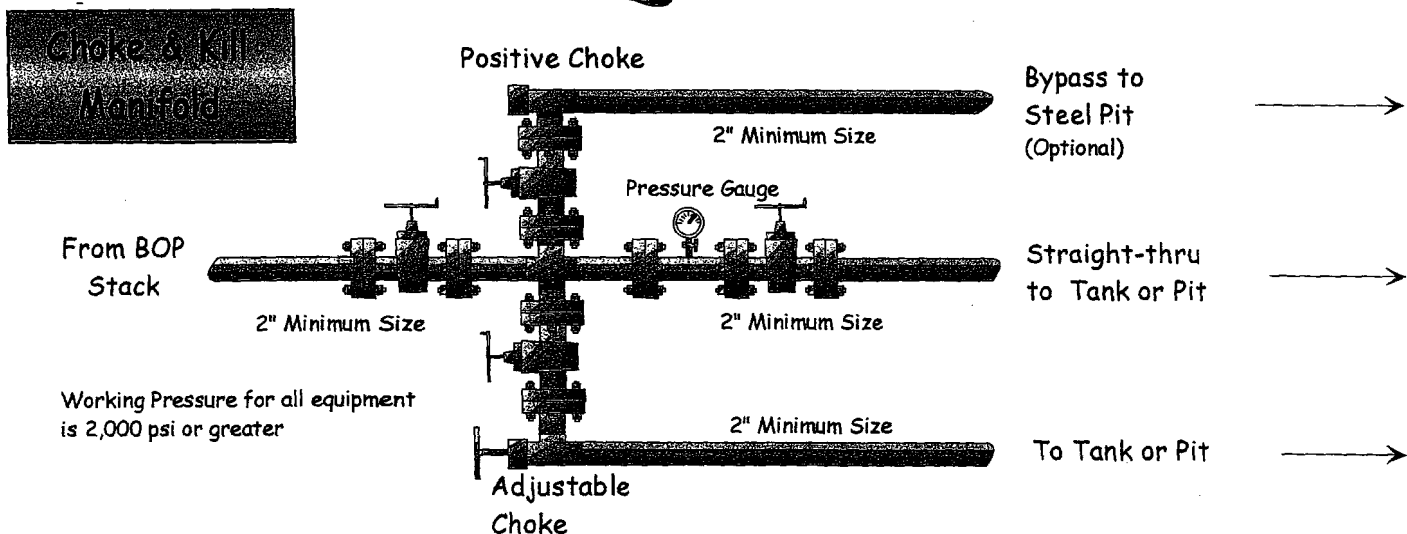
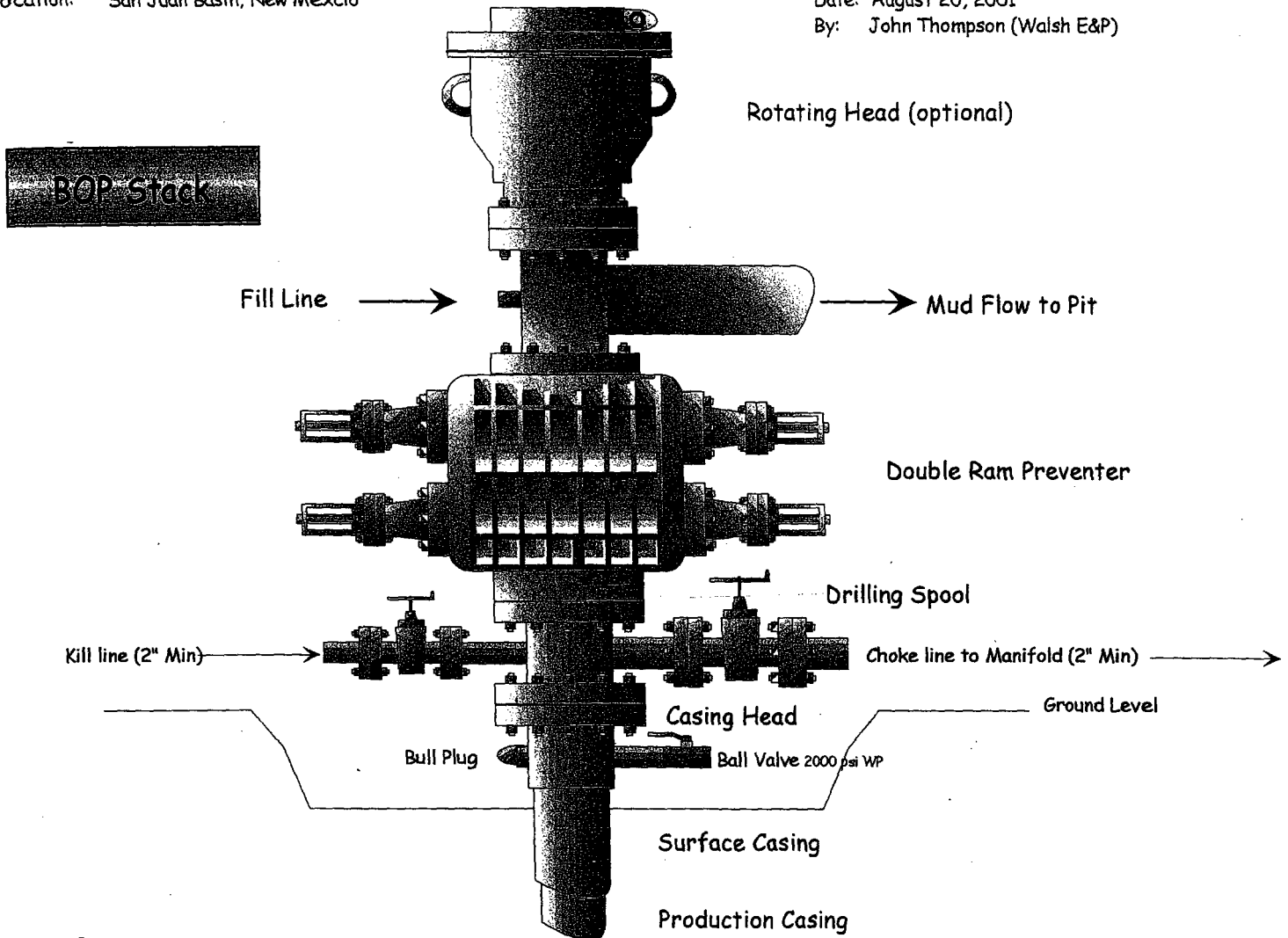
Attachment to Drilling Technical Program

Typical BOP setup

Location: San Juan Basin, New Mexico

Date: August 20, 2001

By: John Thompson (Walsh E&P)



Working Pressure for all equipment
is 2,000 psi or greater